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## ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Doug Wheelwright, Technical Consultant

Date: November 19, 2013

Re: **Acknowledgment**

Docket No. 13-2508-T02, Ticaboo Utility Improvement District Tariff Filing

## RECOMMENDATION- ACKNOWLEDGE REVISED TARIFF SHEETS

The Division has reviewed the revisions to the Ticaboo Utility Improvement District (District) tariff sheets, along with the board meeting minutes. The Utah Division of Public Utilities (Division) recommends that the Utah Public Service Commission (Commission) acknowledge the tariff sheets as submitted and make them available for public inspection.

## ISSUE

On October 14, 2013, the District filed substantial revisions to its tariff sheets and rate schedules. On October 17, 2013, the Commission issued an Action Request to the Division to investigate the tariff and schedule filing. This memo is the Division response to that Action Request.

## **DISCUSSION**

The Ticaboo Utility Improvement District provides electric service, water, waste water and solid waste management to the residents of Ticaboo, Utah and is governed by the Improvement District Act §17B-2a-406.<sup>1</sup>

The District is faced with the unique and challenging requirement to provide reliable services to a very small customer base. As of the date of this application there are 43 individual households, 1 small commercial customer (church), and 1 large commercial customer receiving electrical service from the District. Due to the remote location of the district, electric service is generated from diesel powered generators.

For a small improvement district, there have been several items that have recently come before the Commission for review and consideration. On June 14, 2013, the Commission acknowledged the Districts substantial revision of customer rates in Docket No. 13-2508-T01. On October 10, 2013, the Commission approved the District's name change under Docket No. 13-2508-01 and the issuance of additional debt for the purchase of new diesel generators and related improvements under Docket No 13-2508-02.

The current filing replaces the previous tariff in its entirety due to the many changes and updates that have been made. While the customer rates have not been changed in this filing, one of the primary reasons for the tariff change is the implementation of standby fees for all services provided by the District. As the District moves forward with this change, it generates a single unified bill for all services which include a minimum fee for each service offered even if there is no actual usage of all the services. For example, if a property owner has water, sewer and solid waste service but has installed solar panels for electricity, the district will still bill the property owner the minimum stand by fee for electric service. Theses standby fees for all services are

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<sup>1</sup> Section 17B-2(a)-406(6)(b) exempts the Improvement district from the rate making process found in § 54-7-12 so long as each requirement is satisfied. The Division's review is therefore limited. The Division expresses no opinion on rate design or rates in the revised rate schedules.

being charged to the property owners of record not just to the current residents and customers currently being served by the District.

The tariff language for a few of the revised sections reads as follows:

**Section 03.02 – Requirement for Other Utility Services**

A Customer of the District who has Taps on his/her property for any District utility service, must pay, at a minimum, the standby fees for each utility service (electric, water, wastewater, and solid waste).

As a prerequisite to Electric Service provided to a Customer by the District, the Customer must also subscribe to water, wastewater, and solid waste services provided by the District. A Customer will be deemed to have met the requirements of this section if the Customer pays, at a minimum, the monthly standby fees for each service.

A Customer that receives only water for livestock purposes and does not receive wastewater, solid waste, or electric service is exempt from the requirements of this section.

**Section 03.03 - Standby Fees**

Every Property Owner within the District who owns property for which utility service(s) are available (meaning that a Tap for any utility service is present on the property) is obligated to pay the Standby Fee for each utility service offered by the District if not actively receiving the utility service. The Standby Fee allows owners of properties without utility service, but for which the District holds utility service ready for connection upon request, to bear their share of the expense of maintaining the availability of utility services. Property owners shall be jointly and severally liable for Standby Fees.

A Customer that receives only water for livestock purposes and does not receive wastewater, solid waste, or Electric Service is exempt from the requirements of this section.

**Section 08.01 – Unified Billing**

The District will send each customer a unified bill each billing cycle for all utility services that the District provides (electric, water, wastewater, and solid waste). Nonpayment or incomplete payment of a unified bill may result in disconnection in any or all of the utility services provided by the District pursuant to these regulations and detailed in Section 10.01.

These changes, along with other modifications, required additional language and clarification related to the terms and general definitions included in the tariff. A complete list of the general definitions is included in the tariff filing, however a few of the changes have been identified below for clarification as it relates to the sections identified above.

**Section 02.01 – Definitions**

- 32) Property Owner - The person, persons, entity, or entities that own(s) a particular piece of real property.
- 40) Standby Connection - The connection, or a connection that would be available upon request, to any property within the District's service area to which the District is obligated and prepared to deliver utility service on demand but to which the District does not currently provide utility service.
- 41) Standby Fee - The fee required to be paid for a standby connection within the District.
- 43) Tap – An available connection to electrical, water, or wastewater service that is present on a particular property. In the case of electrical service, a Tap consists of a connection from District power distribution lines to a particular property and terminating on that property. In the case of water service, a Tap consists of a lateral pipe leading from a District water main to the particular property, and terminating on the property. In the case of wastewater service, a Tap exists when a sewer lateral line is installed to connect the property to the sewer main line
- 47) Unified Billing - The inclusion of billed amounts for all utility services on a single bill from the District.
- 48) Utility Service - Electric, Water, Wastewater, or Solid Waste service, together or individually.

These changes in the tariff will allow the District to bill the current residents a minimum fee for all services and will provide a mechanism to bill absent land owners a minimum fee. There are a number of properties within the service area that are owned by individuals and by the mining companies. The revised tariff language could potentially generate additional revenue for the District without incurring additional expenses. It is difficult to estimate how many absent property owners will actually pay the minimum fees. The standby fees are as follows:

Electricity	\$ 75 per month	\$ 900 per year
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Water	\$ 39 per month	\$ 468 per year
Waste Water	\$ 28 per month	\$ 336 per year
Solid Waste	\$ 12 per month	\$ 144 per year
TOTAL	\$154 per month	\$1,848 per year

In addition to the more significant changes identified, there are a number of other changes related to the composition, format or grammar of the tariff. Due to the number of changes to the tariff and a change in the numbering sequence within the tariff, the entire tariff has been replaced. The Board of Directors for the District has approved the revised tariff with an effective date of September 1, 2013.

### CONCLUSION

The current tariff filing does not change the rates that were acknowledged by the Commission in Docket No. 13-2508-T01, but includes substantial changes to the format and content of the tariff. The Division recommends the Public Service Commission of Utah (Commission) acknowledge the revised tariff sheets of the Ticaboo Utility Improvement District and make them available for public inspection.

CC Chip Shortreed, Ticaboo Utility Improvement District  
Michelle Beck, Office of Consumer Services  
Marialie Martinez, DPU Customer Service